

1 IN THE U.S. DISTRICT COURT
2 FOR THE SOUTHERN DISTRICT OF OHIO
3

4 NABI BIOPHARMACEUTICALS)

)

5 Plaintiff,)

)

6 vs.)

Case No.

) 2:05-cv-00889

7 ROXANE LABORATORIES,)
8 INC.)

)

Defendant.)

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16 EXCERPT OF PROCEEDINGS

17 Before the Honorable Terence P. Kemp, taken before
18 Julia Lamb, RPR, a Notary Public in and for the
19 State of Ohio, at the Federal Courthouse, 85
20 Marconi Boulevard, Columbus, Ohio, on September 6,
21 2006, at 10:02 a.m.

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1 APPEARANCES:

2 Mr. Steven A. Maddox
3 and Ms. Heidi Rosenberg Strain
4 Foley & Lardner LLP
5 Washington Harbour
6 3000 K Street, N.W., Suite 500
7 Washington, D. C. 20007-5143
8 (202) 672-5465

9 and
10 Mr. James D. Curphey
11 Porter, Wright, Morris & Arthur
12 41 South High Street
13 Columbus, Ohio 43215-6194

14 on behalf of the Plaintiff.

15 Mr. Kenneth G. Schuler and
16 Ms. Amanda J. Hollis
17 Latham & Watkins LLP
18 Sears Tower, Suite 5800
19 233 South Wacker Drive
20 Chicago, Illinois 60606-6401
21 (312) 876-7700

22 and
23 Mr. Douglas Matthews
24 Vorys, Sater, Seymour & Pease
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on behalf of the Defendant.

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2 EXCERPT

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4 THE COURT: All right. I was going
5 to start out with saying first things first.
6 I'm not sure which is first so I'll just go
7 in random order.

8 With respect to the competing
9 motions to compel and the contention
10 interrogatories, the Court rules as follows.
11 And as, I guess, a precursor to that ruling,
12 I will note there appears to be no dispute
13 about the fact at least with respect to the
14 two of the three contention interrogatories
15 propounded by Roxanne that the issue is not
16 whether there is a certain quantum of
17 discovery that needs to be completed before
18 those can be answered, but simply when Nabi
19 and its experts can accomplish the work,
20 particularly in terms of stating their claim
21 construction and describing why it is that
22 their current product is covered by one or
23 more of the patents involved in this case.

24 So I do think that that can move

1 along pretty much independently of the
2 discovery period.

3 Taking everything into account in
4 terms of what was said here this morning, I
5 understand Roxane's argument that there may
6 be some prejudice to its ability to try to
7 get the case moving forward if there is a
8 substantial delay beyond the delay that's
9 already occurred in getting these answered.

10 I'm not sure I'm terribly persuaded
11 that six or eight weeks makes a significant
12 difference in terms of advancing the case on
13 its merits.

14 So I looked at a calendar just to
15 try to pick out some dates that I think are
16 feasible, and we're going to go with
17 November 10th for the date that those two
18 contention interrogatories shall be
19 answered.

20 We didn't talk nearly as much about
21 Roxane's answers to Nabi's contention
22 interrogatories, but I see no reason why
23 that can't be done on the same date so that
24 will be the date for answers.

1 Obviously, as counsel pointed out
2 this morning, if it turns out that after
3 either more discovery or investigation takes
4 place something about those answers appears
5 to be incomplete, there would be need to be
6 some supplementation, but I'm not going to
7 set a specific date for that to occur.

8 I do think that that has an impact
9 on expert disclosures. Particularly I am
10 persuaded that Roxane ought to be entitled
11 to see the claims construction at least in
12 that iteration of it in advance of
13 disclosing its experts on issues of either
14 validity or infringement.

15 So I'm going to move that date back,
16 the expert disclosure date back, to
17 December 18th and then responsive reports to
18 January 29th taking into account the holiday
19 period.

20 And my hope is that with those dates
21 adjusted in that fashion that that's not
22 going to necessitate any movement of the
23 date of the Markman hearing which I think is
24 April 17th of next year. So that will be

1 the schedule for that.

2 With respect to the request for
3 inspection, if the first question that has
4 to be answered is there an entitlement to
5 some kind of an inspection under Rule 34, my
6 answer to that is, yes, there is.

7 I believe that there is sufficient
8 relevance certainly in this case, I guess I
9 wouldn't go so far as to saying in every
10 case like this, for an inspection at least
11 of what has occurred to date as far as the
12 manufacturing process is concerned.

13 But certainly one of the things that
14 Mr. Maddox says that struck a chord with me
15 and that is that no matter how precise his
16 expert would try to be in terms of trying to
17 replicate this process with another piece of
18 machinery, certainly the first question on
19 cross-examination is going to be how closely
20 does that resemble the process that we
21 actually followed when we produced the
22 registration batch. And if the answer is
23 I'm just guessing, that's not a good
24 situation for the Plaintiff to be in. And I

1 think that does make it a relevant area of
2 inquiry.

3 On the other hand there are a lot of
4 things about this inspection that I think
5 are unanswered as of yet. And so what I'm
6 going to ask the parties to do is to try to
7 develop some kind of an inspection protocol.

8 I would like to see the protocol
9 include some consideration of Nabi's request
10 to have an operating manual, specifications,
11 etc., for the actual R & D machine that was
12 used to make the registration batch produced
13 in advance, because it does seem to me that
14 that will assist in making any inspection go
15 much more smoothly; allowing the expert to
16 plan out what it is he may need to do; and
17 also may be eliminating things that
18 otherwise would be done without that kind of
19 information.

20 As far as the test -- or the machine
21 is concerned, I will ask Roxane to determine
22 whether there is a window of opportunity for
23 that machine to be essentially test run in
24 the fashion that the Plaintiff proposes.

1 And that proposal can be fleshed out more in
2 the protocol that you folks discuss within
3 the next 30 to 40 days. That seems to me to
4 be a reasonable period of time.

5 If, in fact, that particular machine
6 is scheduled to be in some kind of R & D
7 production 24 hours a day for the next 30 or
8 40 days, then we've got an issue we are
9 going to have to address in some way.

10 But my hope is that won't be the
11 situation, and you can find a window of
12 opportunity to do that. And then I think
13 everybody would just have to get comfortable
14 with what exactly the experts would propose
15 to do when they get there.

16 And my thought is that if they are
17 talking about doing some minor modification
18 or retooling, bringing their own supplies to
19 do a couple of test runs and then putting
20 the machine back in the situation it was in
21 before they did all that, that the cost to
22 Roxane for that ought to be pretty minimal.

23 And I'm assuming that these folks
24 are expert enough in these machines in how

1 they are set up and how they are run so that
2 they can do that without damaging the
3 machine in any substantial way or
4 alternating anything that Roxane would
5 intend to do with it in the future.

6 So I know there is a lot of
7 assumptions in there, but that's the way I
8 would picture it going. And hopefully
9 everybody can agree on that kind of thing.
10 But if you can't, I'd be willing to revisit
11 it in a couple of weeks after you
12 investigated some of the factual questions
13 and worked on some of the issues of
14 protocol.

15 And if you have some area of
16 disagreement, I do think the suggestion that
17 we have at least one interim status
18 conference to just make sure everything is
19 on track in this case is a good one.
20 Although, frankly, the information you gave
21 me today about how you've been able to put
22 together a schedule, been able to do that
23 cooperatively, that's encouraging to me.

24 It shows me that there is certainly

1 a level of cooperation and professionalism
2 in this case which is what we expect in this
3 Court, obviously. So I don't think I have
4 to talk to you once a week.

5 My suggestion would be that maybe we
6 set a conference about six weeks out and
7 just have everybody check in at that point.
8 So we'd be looking at sometime mid October
9 or so.

10 Mr. Maddox, when are you going to be
11 gone?

12 MR. MADDUX: The -- I'm sorry. The
13 very beginning of October and the last week
14 of October.

15 THE COURT: So you are okay sort of
16 mid October?

17 MR. MADDUX: Sure.

18 THE COURT: We'll take a look at our
19 calendar for maybe the third week in
20 October.

21 Mr. Schuler.

22 MR. SCHULER: Nothing strikes me
23 right now in the third week of October so
24 I'm sure either myself or Mr. Cherny or Miss

1 Hollis can handle it.

2 THE COURT: We'll pick a date and
3 send a notice. If it turns we hit you on a
4 bad time, just let us know. And that's
5 certainly something we can do by phone.

6 That, to my knowledge, covers
7 everything that we have pending at the
8 moment. There may be some request for
9 sanctions for attorney fees in some of these
10 motions. None of those are going to be
11 granted at least based on what I've heard so
12 far.

13 Mr. Maddox, anything else you'd like
14 to Court to address this morning?

15 MR. MADDUX: Yes, Your Honor. Your
16 rulings with respect to the two contention
17 interrogatories I understand. There was
18 another interrogatory in their motion asking
19 for us to describe our pre-suit
20 investigation. I'm not sure that argument
21 was discussed.

22 THE COURT: I don't recall that that
23 really came up today.

24 MR. MADDUX: Didn't come up today.

1 It was in their motion.

2 THE COURT: I'm not concerned about
3 that. The only other contention
4 interrogatory I'd be concerned about is the
5 one that deals with why you think they
6 infringed. And my assumption that will be
7 addressed in your expert report or if you
8 choose not to have an expert on that for
9 some reason --

10 MR. MADDOX: No. There will be an
11 expert report.

12 THE COURT: Okay. That will address
13 that I would assume.

14 MR. MADDOX: I have one other point.
15 The responsive report now due January 29th.
16 Under the present order, all discovery was
17 supposed to be completed by February 15th.
18 I don't see a need here to move hearings,
19 but we should probably cut ourselves another
20 week to get the expert depositions done.

21 THE COURT: Move that out to
22 February 22nd.

23 MR. MADDOX: Yeah, I think because
24 his expert will want to look at our rebuttal

1 reports and square off with the experts and
2 try to beat them up for some amount of time
3 in deposition.

4 THE COURT: All right. I'll do
5 that.

6 Mr. Schuler, anything else?

7 MR. SCHULER: Nope.

8 THE COURT: Thank you all very much.

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10 Thereupon, the proceedings of
11 September 6, 2006, were concluded at 11:56
12 a.m.

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1 CERTIFICATE

2 I, Julia E. Lamb, a Notary Public
3 in and for the State of Ohio, do hereby
4 certify that I reported the foregoing
5 proceedings and that the foregoing
6 transcript of such proceedings is a full,
7 true and correct transcript of my stenotypy
8 notes as so taken.

9 I do further certify that I was
10 called there in the capacity of a court
11 reporter, and am not otherwise interested in
12 this proceeding.

13 In witness whereof, I have
14 hereunto set my hand and affixed my seal of
15 office at Columbus, Ohio, on this day
16 of , 2006.

17
18 Julia E. Lamb

19 Notary Public, State of Ohio.

20 My commission expires: 11-9-07
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